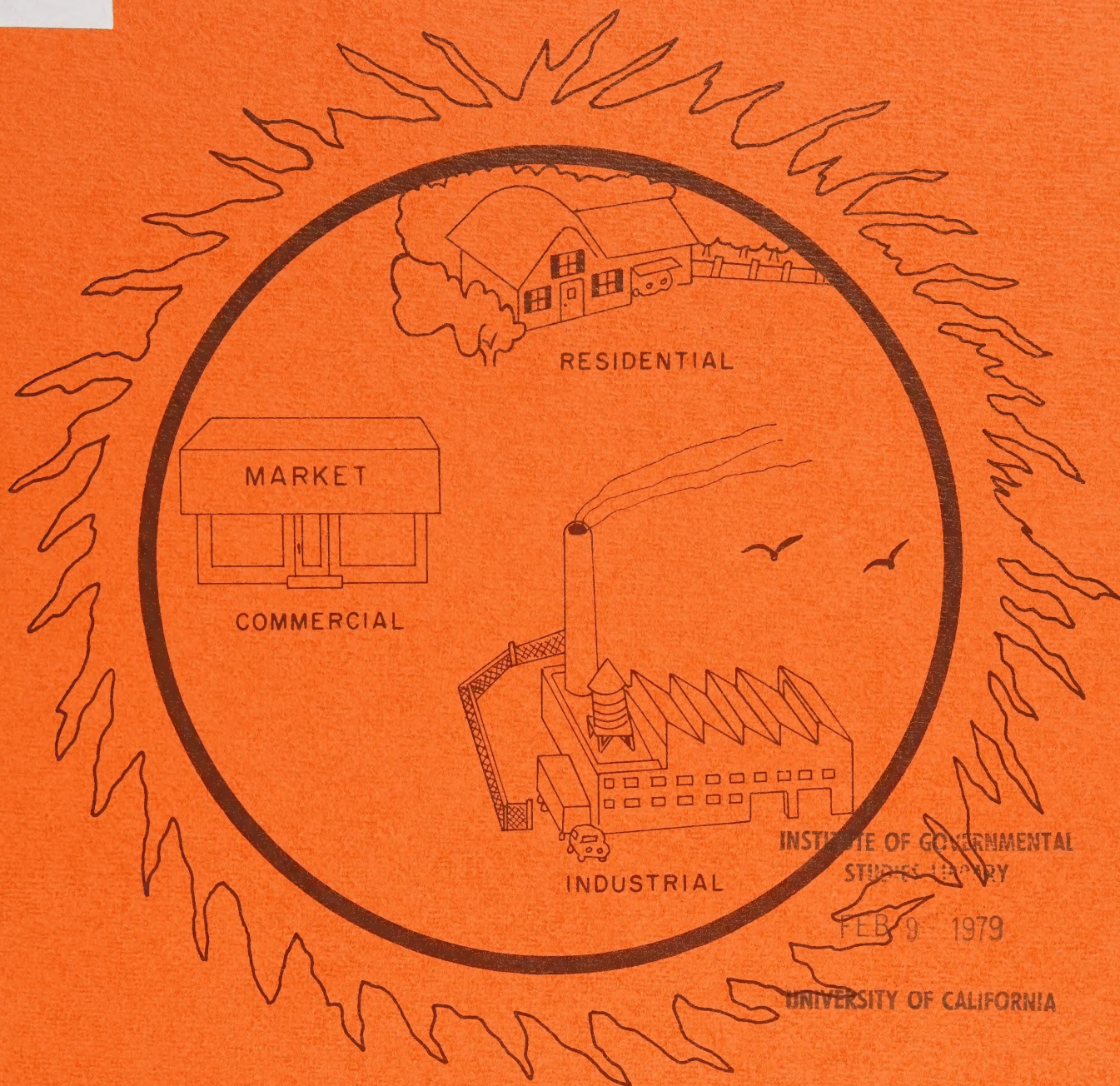


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# CITY OF EL CENTRO



community development  
and  
economic development  
programs



cover design by Ben Thompson



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EL CENTRO CITY MANAGER.

CITY OF EL CENTRO

COMMUNITY DEVELOPMENT

AND

ECONOMIC DEVELOPMENT

PROGRAMS

Community deve., Urb. -- CA --  
El Centro

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CITY MANAGER



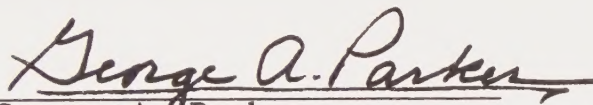
CITY HALL  
1275 MAIN STREET  
EL CENTRO, CA 92243  
(714) 352-9440

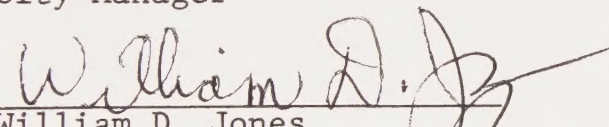
It is with great pleasure that we present this summary of community and economic development programs available in the City of El Centro.

Through the efforts of many people, a comprehensive range of programs is offered to improve the local residential and business environment. These programs are sponsored by the federal, state, and local governments and the private sector.

The opportunities presented here provide evidence that beneficial government programs do exist. We urge local residents to take advantage of what is available and offer the assistance of city staff in doing so.

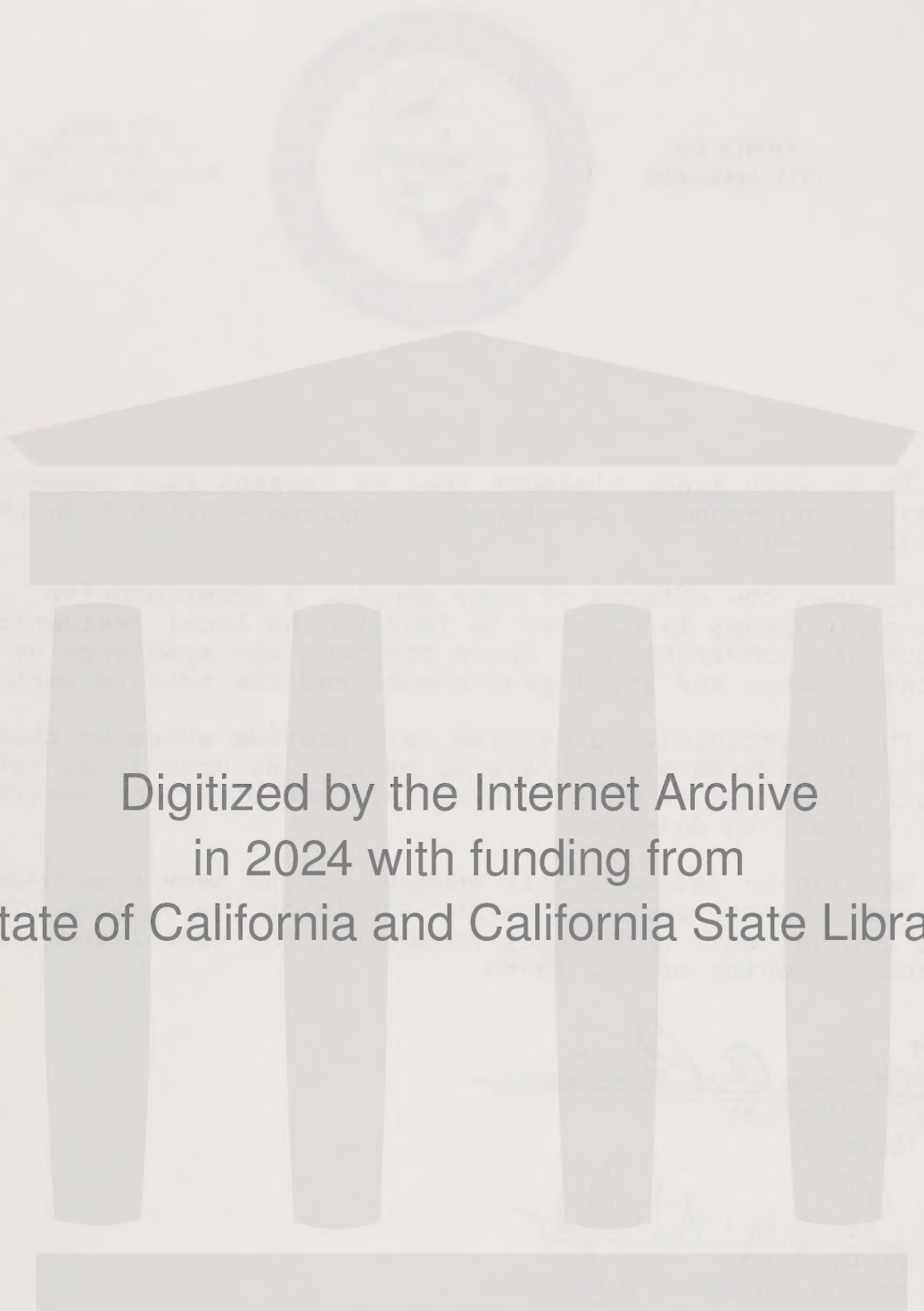
We wish to dedicate this summary to the many government employees who are responsible for attaining the various project goals and who work untiringly to improve the social and economic environment which we all share.

  
George A. Parker  
City Manager

  
William D. Jones  
Director of Building & Housing

December 1978

Barbara Kaiser - Coordinator of Community & Economic Development  
Alicia Puyot - Community Development Specialist  
Mike Yslava - Community Development Inspector  
Rosalind Guerrero - Administrative Aide  
Leti Rodriguez - Senior Clerk Typist



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DEPARTMENT OF BUILDING AND HOUSING

STAFF RESPONSIBILITIES

- |   |  |                     |
|---|--|---------------------|
| 1. Director of Building & Housing:                  |  | CHFA                |
| 352-4391  |  | SCAG                |
|   |  | Other Programs      |
|   |  | Downtown            |
|   |  | Revitalization      |
|   |  | Industrial Park     |
| 2. Coordinator of Community & Economic Development: |  | 312 Loan            |
| 352-4391  |  | 7a Loan             |
|   |  | 502 Loan            |
|   |  | 304 Loan            |
|   |  | Industrial Park     |
|   |  | Geothermal          |
|   |  | Development         |
| 3. Community Development Specialist:                |  | CDBG                |
| 352-4391  |  | 312 Loan            |
| 4. Community Development Inspector:                 |  | CDBG                |
| 352-4391  |  | 312 Loan            |
| 5. Administrative Aide:                             |  | CDBG                |
| 352-4391  |  | General Information |
|   |  | and Referral        |
| 6. Building Department - Secretary:                 |  | General Information |
| 352-4391  |  | and Referral        |





## COMMUNITY DEVELOPMENT

The City of El Centro is strongly involved in a variety of programs which fall under the general category of community development. Narrowly defined, community development is the attempt to provide safe, sanitary, and decent housing for all people. In a broader context, it also provides for public facilities and the stimulation of economic activities. The goal is to provide an overall high quality of life.

The objectives for the City of El Centro in promoting community development include:

1. To ensure the availability of a variety of housing types to meet the needs of present and future residents.
2. To ensure that the quality of dwelling units will be adequate to protect the health, safety, and general welfare of the citizens.
3. To protect and maintain the area - wide environment for housing so that a total living quality exists.

The city participates with a number of federal, state, and local agencies in an effort to meet its objectives. The most notable include the Department of Housing and Urban Development, California Department of Housing and Community Development, California Housing Finance Agency, Southern California Association of Governments, and the Imperial Valley Coordinated Housing Authority. It should be noted, however, that not only are these agencies vital to a successful program but local people including contractors, property owners, residents, and real estate agents are also essential. It is only through a coordinated effort that an impact can be made on local community development. We invite these people to participate fully in the city's programs.

Through the efforts of city staff, the following programs have become available which assist in reaching the goals of community development.





RESOLUTION NO. 78 - 25  
FAIR HOUSING RESOLUTION  
FOR THE CITY OF EL CENTRO

THE CITY COUNCIL OF THE CITY OF EL CENTRO DOES RESOLVE  
AS FOLLOWS:

WHEREAS, Section 801 of Title VIII of the 1968 Civil Rights Act states that it is a policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States; and,

WHEREAS, the City of El Centro has made formal application to the U. S. Department of Housing and Urban Development for assistance under the Housing and Community Development Act of 1974 as amended; and,

WHEREAS, the City of El Centro will be utilizing HUD Programs to enhance the social and physical environment of the community; and,

WHEREAS, the Secretary of HUD is mandated to administrate the National Policy of Fair Housing in the Program activities of the Department of Housing and Urban Development, in a manner affirmatively to further the policies of Fair Housing.

NOW, THEREFORE, BE IT RESOLVED, that the City of El Centro does hereby adopt a Resolution declaring our commitment to promote Fair Housing in the sale, lease, or rental of housing without regard to race, sex, color, religion or national origin.

BE IT FURTHER RESOLVED, that the City Clerk shall be instructed to disseminate the adoption of this resolution to the real estate industry doing business in the City of El Centro, and to disseminate this resolution in public buildings where appropriate.

BE IT FURTHER RESOLVED, that the City will use its good offices in an attempt to resolve claims of housing discrimination.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of El Centro held on the 5th day of April, 1978.

ROLLIE A. WISBROCK  
\_\_\_\_\_  
MAYOR, CITY OF EL CENTRO

ATTEST:

CELIA SWEEDEN  
\_\_\_\_\_  
CITY CLERK, CITY OF EL CENTRO





## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

The Department of Housing and Urban Development is the federal agency responsible for administering a variety of mortgage insurance, rent subsidy, loan and grant programs aimed at helping communities provide decent housing for their citizens. The Department is regulated by the Housing and Community Development Act of 1974, as amended.

Major participants in the HUD programs include the elderly, the handicapped, and individuals with low and moderate incomes. The housing covered under the various programs ranges from conventional single family and mobilehomes to multi-unit and cooperative housing. The area office responsible for administering HUD programs for the El Centro area is located in Los Angeles.

The Department of Housing and Urban Development remains active today due to

1. The need for new moderate-priced housing;
2. The need for maintenance and repair of housing, and the removal of deteriorated housing; and
3. The need to eliminate overcrowding, lack of housing choices, economic and social discrimination and many other problems.

It is hoped that through the various HUD programs, these needs will be reduced and eventually eliminated.



## STATE OF CALIFORNIA

### DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

The Department of Housing and Community Development (HCD) was established in 1965 by an act of the State Legislature. In 1975 another legislative act (ABIX) established the California Housing Finance Agency and reorganized and assigned new responsibilities to the Department. HCD is the principal state department responsible for coordinating federal and state relationships in housing and community development.

The Department has the following objectives:

- A. To promote and maintain adequate housing and a decent living environment for all Californians.
- B. To protect the health and safety of the public by developing and enforcing statewide minimum construction regulations for all types of housing and related construction.
- C. To serve as a catalyst in seeking solutions to California's housing and community development problems through technical assistance, advice, research and dissemination of information to citizens, private industry and governmental entities.

The Department pursues these objectives through three divisions-- Research and Policy, Codes and Standards, and Community Affairs. The Division of Community Affairs is the outreach arm of the Department in its relations with local government, private and non-profit agencies. Some of the activities of this Division include:

- technical assistance to individuals, governments and agencies seeking to increase housing opportunities for low and moderate income people,
- review of HUD grant applications (Community Development Block Grant and Urban Development Action Grant), and review of the state mandated Housing Elements,
- development of training opportunities for local agencies and,
- administration of five state funded housing programs.





## COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant program is HUD's primary means of providing community development assistance. Through the program HUD provides 100% federal grants (with no matching requirement) to local governments for funding a wide range of community development activities.

Created under the 1974 Housing and Community Development Act, the Community Development Block Grant program is a consolidation of the former categorical grant programs, which included Urban Renewal, Neighborhood Development grants, Model Cities, Water and Sewer Grants, Neighborhood Facilities Grants, Open Space Grants, Public Facilities Loans, Urban Beautification Grants, Rehabilitation Grants, and Historical Preservation Grants.

Although spending priorities are determined at the local level, the stated purpose of the law is to provide adequate housing, a suitable living environment, and expanded economic opportunities for persons of low- and moderate- income.

Specific objectives of the program include:

- the elimination and prevention of slums and blight;
- the reversal of past patterns of economic and racial housing segregation;
- conservation of the existing housing stock;
- improvement of community services;
- elimination of conditions detrimental to health, safety, and the public welfare.

Eligible activities within that framework include, but are not limited to: acquisition of blighted, deteriorated, or underdeveloped real property for housing and commercial developments; historic preservation; construction of public works facilities; code enforcement in deteriorated areas; removal of structural barriers in areas of concentrated community development activity; provision of commercial and industrial structures for purposes of economic development; building of recreational facilities; and provision of loans and grants for rehabilitation of existing homes and multifamily complexes.





Grants may not be used for new construction, but may finance related activities, such as land acquisition, site clearance, and public improvements.

The City of El Centro received its first program funding during the fiscal year 1977-78. The project included the rehabilitation of homes in a three block area in the eastern section of the city. Approximately 15 low-income homes were repaired at a cost of \$200,000.

A new comprehensive plan for neighborhood revitalization and stabilization was submitted and approved by HUD in November 1978. The three year program includes a variety of activities to improve conditions in the eastern section of the city. Funding of \$1,250,000 will be used as follows:

1. Housing Rehabilitation - Low and moderate income housing units will be rehabilitated to meet local housing codes. (Year 1-3)
2. Code Enforcement - All residential units in Planning Area #3 will be inspected for conformance to the housing codes. (Year 1-3)
3. Water and Sewer Lines - In Tract 98 (Southeast El Centro), water and sewer lines will be installed making available 50 sites for new housing units. Many of the present sub-standard units will be removed, thereby eliminating a major blighted area within the city. (Year 1)
4. Economic Development - A small sum of funding will be given to the local development company for stimulating the growth of local and new businesses. Funding will also be used for industrial park development which will increase the number of employers in the area. (Year 1-3)
5. Neighborhood Park - A five acre park is planned which will separate the residential and industrial sections located in southeast El Centro. (Year 2-3)
6. Community Center Expansion - The Community Center will be expanded to provide space for medical services and additional day care center activities. (Year 2)
7. Sewer and Water Line Extension (Ross Ave. to Dogwood Ave.) - This extension will encourage and stimulate construction in the industrial park as well as open up areas for other economic development activities. (Year 3)
8. Storm Drain Installation - The completion of a storm drain installation will be provided for under this HUD program.



In summary, the following goals have been set to increase housing opportunities for local residents.

A. OWNERS Rehabilitation: 30 (CDBG)

24 (312)

6 (CHFA)

Total: 60

New construction: 12 (235, CHFA, SCAG)

Grand Total: 72

B. RENTERS Rehabilitation: 2 (CDBG)

2 (312)

60 (Section 8)

Total: 64

New Units Certification: 26 (Section 8 and others)

Grand Total: 90





## SECTION 312 REHABILITATION LOANS

The Section 312 rehabilitation program sponsored by HUD provides 3% loans for owners of property within a designated community development area for the purpose of bringing their property up to local code standards. The following conditions apply.

### ELIGIBILITY

- All rehabilitation work must be done on property which is owned by the participant.
- Residential property occupied by the owner is preferred.
- Funding is available for investor owned property (residential), non-residential property (commercial), and mixed use property, however, special requirements must be met.
- Property must be located within the designated community development area of the city.
- Property must need improvements that would bring it up to local code standards.
- The applicant must be able to repay the loan and prove that past and present debts are being paid.

### PURPOSES

- First priority must always be given to any improvements which help to meet the requirements of the local code standards.
- Property improvements, such as garages, fences, steps, walkways, and driveways.
- Basic equipment such as heating, furnace, hot water tank, electrical and sanitary fixtures, kitchen stove, and refrigerator.
- Provision of additional or enlarged bedrooms.
- Landscaping.
- Refinancing of current property related debts can be included.





## INELIGIBLE PURPOSES

- New Construction.
- Substantial reconstruction or expansion.
- Acquisition of land.

## TERMS

- Rehabilitation loans are offered at an interest rate of 3%.
- The maximum loan amount is \$27,000 which includes the cost of any refinancing.
- Maximum repayment term of 20 years or 3/4 of the remaining life of the property, whichever is less.
- A mortgage is required on all properties in order to reduce delinquencies.
- The City is responsible for all paperwork.



## SECTION 8 - HOUSING ASSISTANCE PAYMENTS PROGRAM

The Section 8 existing housing program is a major source of federal housing assistance for low income persons. It is a rent-subsidy program which assists families in securing decent, safe, and sanitary housing.

Under this program, lower income families, senior citizens, or handicapped and disabled persons, who have been certified as eligible by the Public Housing Authority, are encouraged to negotiate directly with landlords to secure suitable rental units. To be eligible, total yearly income and family size must fall within the limits set by HUD. The program is currently active in El Centro.

The Imperial Valley Coordinated Housing Authority (located in Brawley) is responsible for administering the local program. They receive and review all applications for housing assistance, work with participants and landlords, and enforce all contracts agreed to.

The Section 8 program permits owners of rental housing to receive housing assistance payments on behalf of tenants who are eligible for rental assistance. Owners receive direct cash payments from the housing authority equal to the difference between the family's contribution and the contract rent for the dwelling unit. Any existing rental housing unit may be eligible for this program, however, it must conform to local housing quality codes and standards.

In order for a family, senior citizen, or disabled person to participate in the program, they must be certified by the housing authority. Family size and yearly income are the factors which determine eligibility. Depending on circumstances, a family's contribution toward rent including utilities will equal no less than 15% or more than 25% of its annual income. A participating family that abides by the program rules can continue in the program for as long as federal funds are available and the family remains eligible.

A brief step by step procedure is as follows:

1. The Housing Authority establishes family eligibility and issues Certificates of Participation.
2. A family locates a suitable unit (within rent range, and which meets Housing Quality Standards, and the owner is willing to participate in the program), and performs initial inspection.





3. The Housing Authority inspects a unit within seven working days of notification by the family.
4. The Housing Authority approves or disapproves the proposed contract and determines the amount of family and Housing Authority contribution.
5. The family moves into the unit and pays rent to the owner for the term of the lease.
6. The Housing Authority supplements payments to the owner for the term of the lease.
7. The Housing Authority recertifies families and units at least annually.

As mentioned before, the Imperial Valley Coordinated Housing Authority is responsible for the Section 8 program and they should be contacted for further information.



## CALIFORNIA HOUSING FINANCE AGENCY (C. H. F. A.)

The purpose of the California Housing Finance Agency is to provide financing for the development and rehabilitation of low and moderate income housing. The agency accomplishes this by selling tax-exempt revenue bonds and using the proceeds to:

- a. provide direct loans for the development of new rental cooperative multi-family housing for low and moderate income households;
- b. purchase mortgages from private lenders to enable eligible low and moderate income borrowers to purchase single family homes;
- c. finance a Neighborhood Preservation program providing loans and insurance for rehabilitation programs in designated areas.

The City of El Centro was recently successful in being declared a Mortgage Assistance Area by the California Housing Finance Agency. This allows us to participate in the Home Ownership and Home Improvement Loan Program (HOHI). This program assists low and moderate income people in purchasing or rehabilitating their homes by providing loans at below market interest rates. The program is operated by the California Housing Finance Agency (CHFA) through the assistance of private lenders and local governments. HOHI complements local rehabilitation efforts and programs in a growing number of cities and counties throughout California.

This program is designed to accomplish four goals:

- to assist in revitalizing deteriorating neighborhoods;
- to assist low and moderate income families in obtaining financing for home ownership;
- to make available refinancing and home acquisition in areas traditionally short of conventional mortgage money;
- to stimulate the production of new lower-cost housing for modest income households.

There are four types of loans available in localities participating in CHFA's HOHI program:





## CHFA

- Mortgage loans to rehabilitate and refinance;
- Mortgage loans to purchase and rehabilitate;
- Add-on loans for rehabilitation only;
- Mortgage loans to purchase a new or existing residence.

### Rehabilitate and Refinance

Owners of homes with or without an outstanding mortgage can refinance if at least twenty percent of the proceeds of the new loan are spent on repairs and improvements. The value of the property after rehabilitation must be within CHFA's established purchase price limits. Rehabilitation and refinance loans for 2-4 family units are available only in Concentrated Rehabilitation Areas. Rehabilitation and refinance loans for single family structures are available in any designated area.

### Purchase and Rehabilitate

At the time of purchase, a person can receive additional loan proceeds (up to the purchase price limits) to do rehabilitation. A lender can arrange a loan that will pay off the seller and set aside proceeds to pay the contractor. The contractor may do the rehabilitation work before or after the owner moves into the residence. This kind of loan is available in the same way as the one described above.

### Rehabilitation Only

The California Housing Finance Agency has a contract with private banks to originate FHA-insured Title I home improvement loans. Local governments take responsibility for loan application forms, specifications, bids, contracts, obtaining borrower signatures on loan documents, and disbursing loan proceeds. The bank handles loan approvals, loan processing, preparation of loan documents, issuance of checks, and loan servicing.



## CHFA

Loan amounts and terms comply with FHA Title I regulations:

<u>Type of Structure</u>	<u>Maximum Loan Amount</u>	<u>Maximum Loan Term</u>
Single-family	\$15,000	15 years
2 - 4 units	\$ 5,000 per unit	12 years

These types of loans are available in the same way as the previous two.

### Purchase Only

In any designated area, eligible borrowers may finance the purchase of newly-constructed housing on in-fill lots or in CHFA-approved subdivisions or condominium projects provided it is within the sales price limits.

### Interest Rates

CHFA interest rates are usually 2 to 3 percent below the market interest rate. Interest rates vary with CHFA bond sales and therefore change from time to time. Information on current interest rates can be obtained from lenders.

### Down Payment

The amount of the down payment depends on the type of loan. On FHA-insured and VA-guaranteed loans, the minimum down payments are determined by those federal agencies. Conventional loans with private mortgage insurance usually require 10 percent down for single-family, owner-occupied dwellings. Down payments can be as low as 5 percent in cases where the borrower meets the applicable credit standards of the lender and the private mortgage insurer.





# TANDEM DESIGNATION AGREEMENT

## ELIGIBILITY CHART

	PROPERTY CHARACTERISTICS	BORROWER CHARACTERISTICS			
		OWNER OCCUPANT		INVESTOR (NON-OCCUPANT)	
		PRESENT OWNER BELOW MODERATE INCOME	NEW OWNER BELOW MODERATE INCOME	PRESENT OWNER NO INCOME LIMITS	NEW OWNER NO INCOME LIMITS
CONCENTRATED REHAB AREAS	Single Family	M/H	M	M/H	M (VAC)
	2 - 4 Units	M/H	M	M/H	M
	Single Family		M		
	2 - 4 Units		M		
MORTGAGE ASSISTANCE AREAS	Single Family	M/H	M		§ 8M
	2 - 4 Units				§ 8M
	Single Family		M		§ 8M (NC)
	2 - 4 Units				§ 8M (NC)

### Types of Loans:

M = Mortgage Loan  
H = Home Improvement Loan (Title I)

### Loan Limitations:

VAC = Only structures which have been vacant and for sale for 90 days would be eligible.  
§ 8 = Loan made pursuant to Section 8 contract or lease.  
NC = New Construction only



SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG)

SPECIAL COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Southern California Association of Governments offers funding, awarded by the Department of Housing and Urban Development, to local agencies to assist in achieving regional housing goals. The City of El Centro developed a unique program for using these funds and was given approval for two projects.

The first project, "Site Acquisition for Bonus Section 8 Units", allows for an additional twenty housing units to be built for low to moderate income families in scattered sites throughout the city. Ten units, a variety of which will include two 2 bedroom, six 3 bedroom and two 4 bedroom, will be constructed and owned by a private developer. These units will then be rented using Section 8 rent subsidy funds. An additional ten units, using the same size standards as mentioned above, will be built and sold by the contractor to low income families using California Housing Finance Agency (CHFA) Mortgage Assistance. This assistance allows the family to buy the home at two to three percent below the normal market mortgage rates.

The SCAG funds will be used by the city to purchase land sites for these twenty residential units and sell them for a lower cost to the developer. This in turn reduces the cost of the residence and makes it more affordable to lower income families.

The second project, "Site Acquisition for Loan Write Down and Rehabilitation", involves purchasing existing dwelling units that are substandard and either rehabilitating them to a liveable level or demolishing them and clearing the land for new development. Here again, if new construction is to take place, CHFA mortgage assistance will be used together with the SCAG land write-down. If rehabilitation occurs, CHFA financing will also be used. The goals that will be reached within twelve months with this program will consist of making available 32 dwelling units for families in areas outside the current low-income concentrated areas.

The combination of the land write-down, Section 8 rental subsidy and CHFA Mortgage Assistance is a unique approach to providing additional housing on scattered sites throughout the city. It is also a prime example of federal, state, regional and local agencies working together with the private sector to increase housing opportunities.





## OTHER PROGRAMS

### A. Section 235 - Homeownership Assistance for Low - and Moderate - Income Families

This program provides mortgage insurance to purchasers of single family residences whose adjusted gross income is less than 95% of the area median income. In addition, Section 235 provides for subsidizing the interest on the mortgage to reduce the interest rate paid by the purchaser to as low as 4%.

The purchaser is required to spend at least 20% of his or her adjusted income toward the monthly mortgage, insurance and tax payments and must make a downpayment of 3% of the total cost of buying the home (including closing costs and prepaid items).

Mortgage limits are \$32,000 for a 3 bedroom and \$38,000 for a 4 bedroom. Homes must be new or substantially rehabilitated, and may include cooperatives and condominiums.

### B. CETA Programs

From time to time, the City of El Centro sponsors programs which are funded under the Comprehensive Employment and Training Act (CETA) by the Department of Labor. These programs involve various activities which assist in improving the condition of residences and have included in the past a senior citizen's home conservation program and a paint and clean-up program. The city announces these special programs when they become available and response from local residents has been overwhelming. The CETA programs are also coordinated with the HUD rehabilitation program and aid in extending the amount of assistance available.



## EL CENTRO REDEVELOPMENT PROJECT

"Redevelopment" is an activity by local government to bring about new development in blighted areas. A fundamental purpose of redevelopment, in addition to increasing employment opportunities for low-income persons, is to expand the supply of low- and moderate-income housing.

Community Redevelopment Agencies (CRA) are authorized under the Community Redevelopment Laws to carry out redevelopment programs at the local level. A CRA is established by city ordinance declaring the need for such an agency to function in the community. The governing board of a CRA is appointed by the local legislative body and may be either a separate body or the same as the local legislative body.

The El Centro Redevelopment Agency can mitigate existing adverse conditions and overcome development limitations by providing for the purchase and/or assembly of land, by providing off-site improvements, and by emphasizing an appropriate marketing and planning program that can assist developers and/or existing owners in their efforts to make development financially feasible. In addition to improving conditions within the community, new development will increase the potential for new employment opportunities for residents of El Centro. These opportunities will occur in the construction of improvements and structures, and in the operation of the facilities that are to be constructed.

The City of El Centro will also experience an increase in the tax base which would result from the type of development that would be proposed. In addition to the monetary benefits, the Agency could ensure that the project would be comprehensively planned, marketed and of benefit to the City as it strived to create a more pleasing environment. Under the control of the Agency, it could ensure that new development would provide an aesthetically pleasing environment and that it would be appropriately maintained.

The primary source of funding available to the El Centro Redevelopment Agency to finance redevelopment activities is derived from the increased tax revenues (tax increments) which would result as new developments within a project area evolved. Since the purpose of redevelopment is to revitalize deteriorated and underutilized areas within the community, it follows that the tax revenues generated from such areas prior to redevelopment are below their true potential. Thus, as new construction proceeds, property values will increase significantly and the ultimate result is a proportionate increase in tax revenues collected by the appropriate taxing agencies.



## El Centro Redevelopment

The Redevelopment Agency proposes to eliminate and prevent the spread of blight and deterioration in the Project area by:

1. Providing for participation by owners and tenants presently located in the Project area by extending preferences to remain or relocate within the redeveloped area;
2. Rehabilitation of structures and improvements by present owners, their successors, or the Agency;
3. Redevelopment of land by private enterprise or public agencies for uses in accordance with the plan;
4. Installation, construction, or reconstruction of streets, utilities, and other public improvements;
5. Acquisition of real property;
6. Relocation assistance to displaced residential and non-residential occupants;
7. Demolition or removal of buildings and improvements;
8. Management of any property acquired under the ownership and control of the Agency;
9. Disposition of any property acquired by the Agency for uses in accordance with this Plan.

The El Centro Redevelopment Agency provides a concerted effort for planning and marketing what is now vacant, stagnated, or unproductive property, thereby directing efforts toward obtaining development, achieving anticipated objectives and ultimately gaining the resultant benefits.





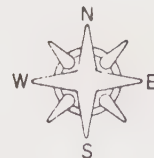
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TREATMENT PLANT

CENTRAL

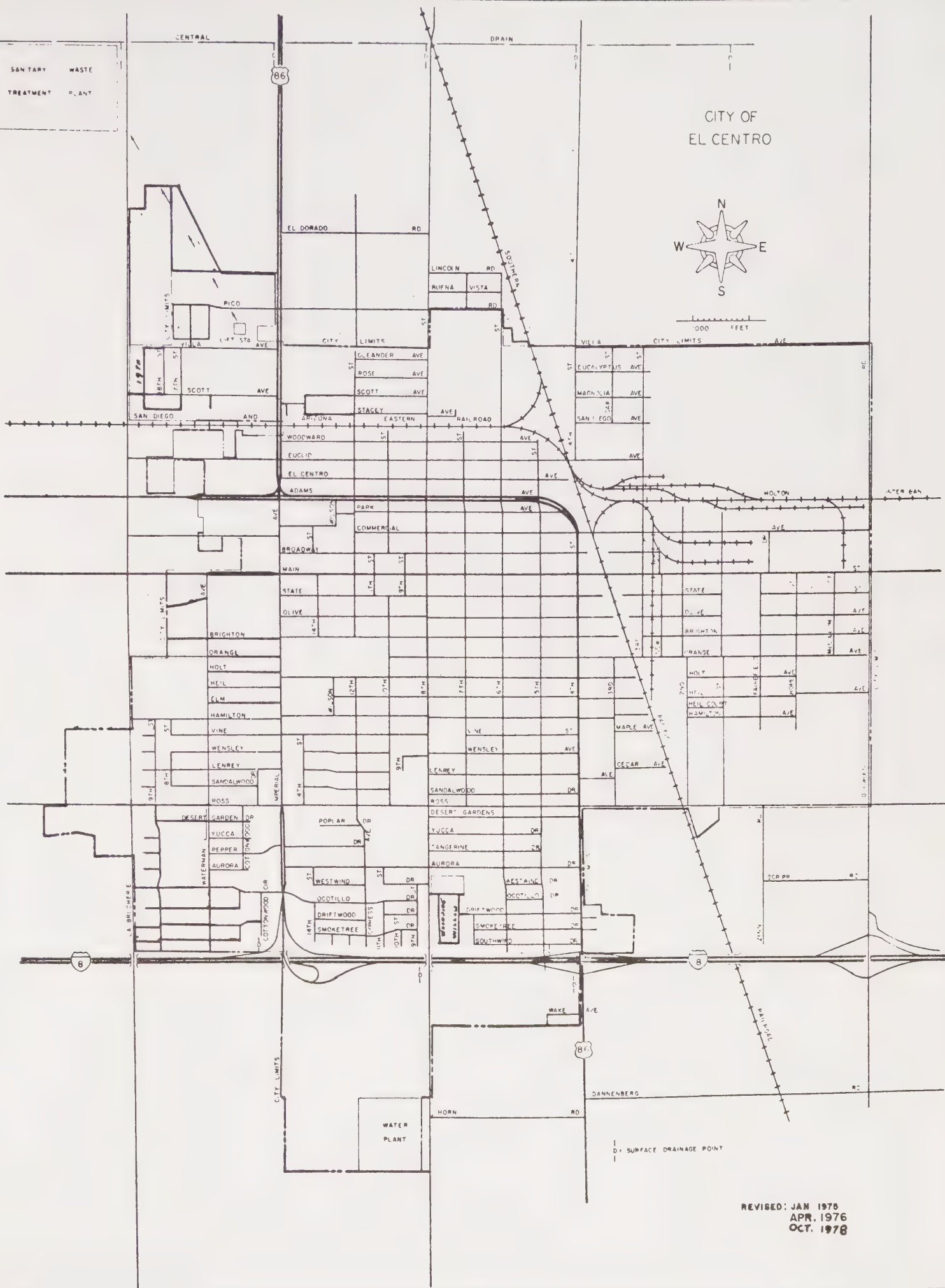
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CITY OF  
EL CENTRO

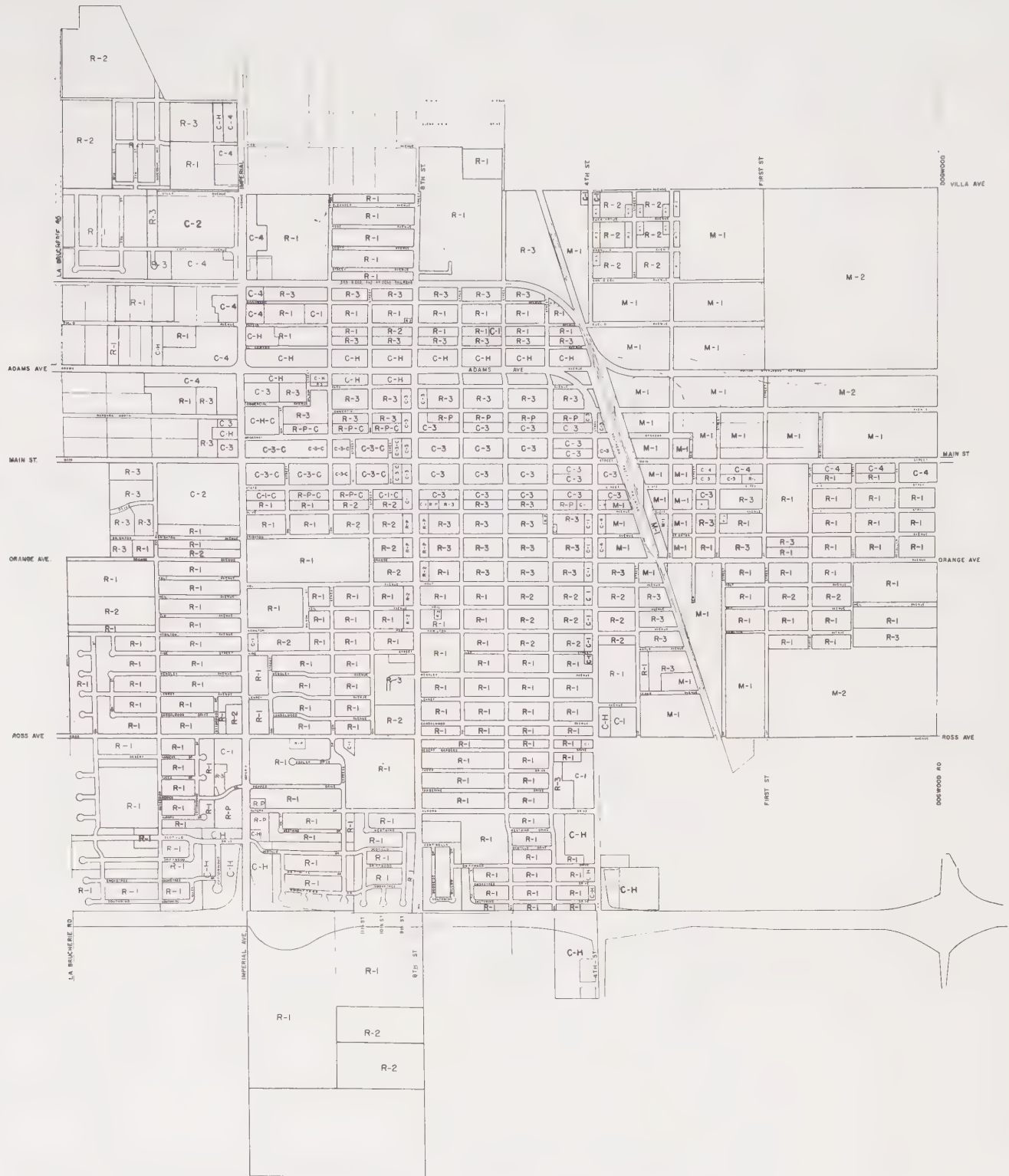


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REVISED: JAN 1975  
APR. 1976  
OCT. 1978





# OFFICIAL ZONING MAP CITY OF EL CENTRO, CALIFORNIA

PORTION CHAPTER 32, CODE OF THE CITY  
OF EL CENTRO, VOLUME II

I HEREBY CERTIFY THAT THIS PLAN HAS BEEN OFFICIALLY  
ADOPTED BY THE CITY PLANNING COMMISSION OF EL CENTRO,  
CALIFORNIA, AFTER THE HOLDING OF THE REQUIRED  
PUBLIC HEARINGS ON THIS 22nd DAY OF May, 1966  
SIGNED Alfred H. Hays  
ATTEST George A. Anderson

SCALE 1" = 100'

I HEREBY CERTIFY THAT THIS PLAN HAS BEEN OFFICIALLY  
ADOPTED BY THE CITY COUNCIL OF EL CENTRO, CALIFORNIA,  
AFTER THE HOLDING OF THE REQUIRED PUBLIC HEARINGS  
ON THIS 22nd DAY OF August, 1966.  
SIGNED George A. Anderson  
ATTEST George A. Anderson

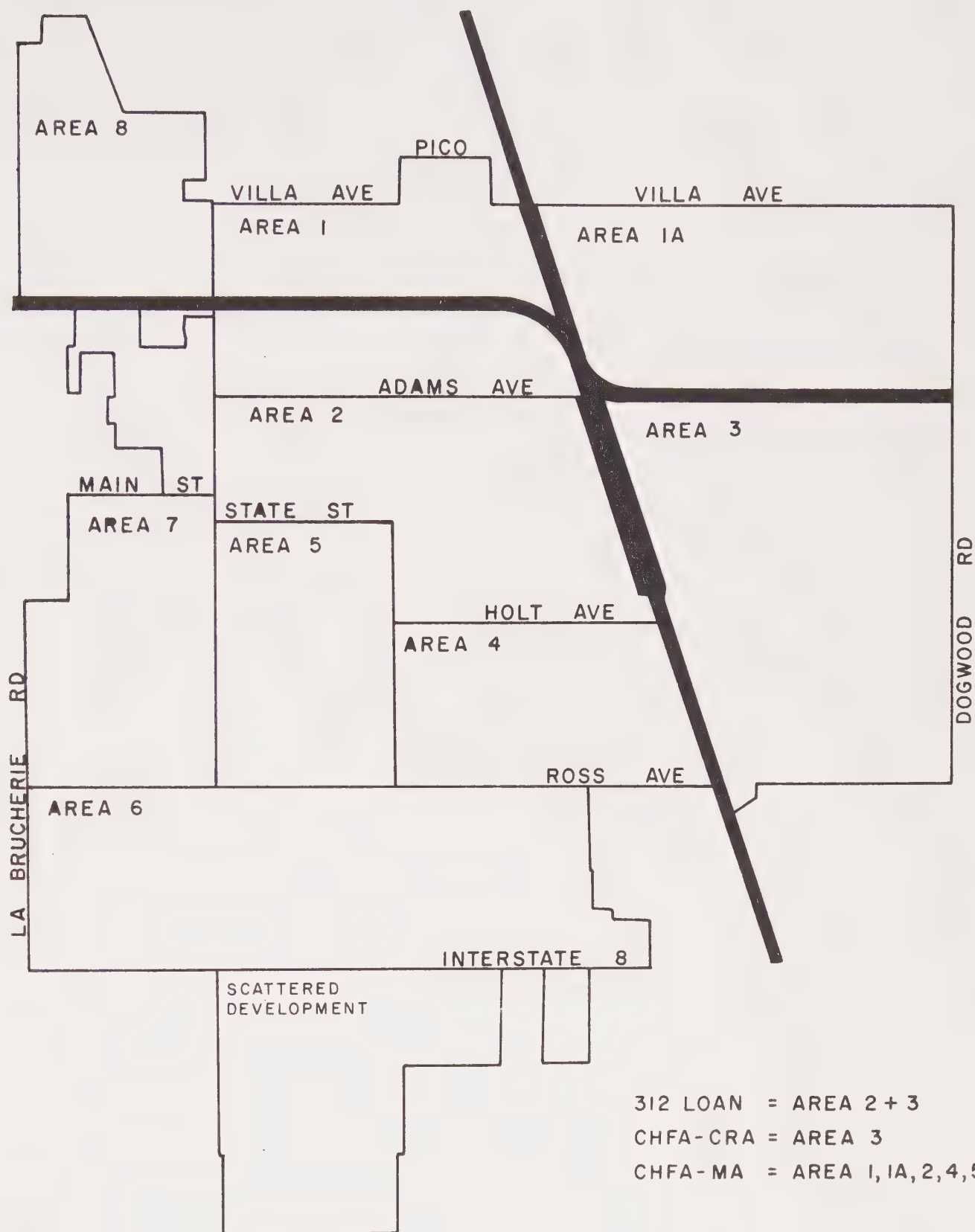
RESIDENTIAL		COMMERCIAL		INDUSTRIAL		OTHERS		REVISIONS	
R-1	SINGLE FAMILY	R-P	RESIDENTIAL AND PROFESSIONAL OFFICE	M-1	RESTRICTED MANUFACTURING	- C	CIVIC CENTER DISTRICT	REVISION	DATE
R-2	MEDIUM DENSITY RESIDENTIAL	C-H	RESORT	M-2	GENERAL MANUFACTURING				
R-3	HIGH DENSITY RESIDENTIAL	C-1	NEIGHBORHOOD COMMERCIAL						
		C-2	OUTLYING SHOPPING COMMERCIAL						
		C-3	GENERAL COMMERCIAL						
		C-4	HEAVY COMMERCIAL						

THE PREPARATION OF THIS MAP WAS FINANCED IN PART THROUGH AN URBAN PLANNING GRANT FROM THE U.S. DEPARTMENT OF HOUSING AND DEVELOPMENT UNDER THE PROVISIONS OF SECTION 104 OF THE HOUSING ACT OF 1954, AS AMENDED.

PREPARED BY HOOK, LAMBERT & ASSOCIATES  
CITY AND REGIONAL PLANNING CONSULTANTS  
500 N. WASHINGTON, CALIFORNIA













## ECONOMIC DEVELOPMENT

What is economic development? The broadest definition of economic development is to do various things which assist in increasing the income and standard of living of people in a specific area. More specifically, it usually means programs and policies to create or preserve jobs---not for the pleasure of work per se---but for the income that people obtain from those jobs.

The City of El Centro recognizes that its economic base is provided by jobs. A high priority has been put on retaining, creating and attracting jobs to the city. The emphasis is on the small business sector since this is where the major impact in improving the economic base can occur. The objective is to offer positive, competitive incentives to attract jobs and new investment, new plants and businesses, and plant and business expansion, and commercial revitalization into the community.

Through the efforts of city staff, the following programs have become available which assist in reaching the goals of economic development, job creation, and commercial revitalization.





## SMALL BUSINESS ADMINISTRATION

The Small Business Administration (SBA) is a permanent, independent government agency created by Congress in 1953 to encourage, assist, and protect the interests of small businesses.

The Small Business Administration helps stimulate community economic development by providing loan guarantees to small businesses unable to obtain normal financing. In particular, SBA programs seek to aid small businesses in deprived areas to increase minority business opportunities, and to bolster the role of small business in the neighborhood economy.

The SBA defines a "small business" generally as one which is independently owned and operated, and which is not dominant in its field. Loans are made to cover the cost of constructing, converting, and expanding business facilities and for use as working capital.

Loans are also made to Local Development Companies which have a maximum of 25 stockholders or members and which are at least 95% owned by persons living or doing business in the individual community served.

The area office serving Imperial County is located in San Diego and all loan applications must be approved by this office.



## SBA 7a - REGULAR BUSINESS LOAN PROGRAM

The Small Business Administration offers a regular business loan program which assists small businesses in financing their needs. Guaranteed/insured loans are provided to construct, expand or convert facilities, to purchase buildings, equipment or materials, and for working capital. This program differs from the 502 loan program in that it allows funds for working capital and no local sponsoring organization is required.

### WHAT SMALL BUSINESSES ARE ELIGIBLE?

A small business must meet the following guidelines:

- Must be a for-profit corporation, partnership, or proprietorship.
- Must be independently owned and not dominant in its field.
- Must generate "active income" as opposed to "passive" or investment income.
- Must occupy the premises wherein the renovation is performed.
- Must be unable to obtain private financing on reasonable terms.
- Must be qualified as "small" under SBA's size standards, based on dollar volume of business or number of employees.

### INELIGIBLE SBA APPLICANTS

- Not-for-Profit corporations.
- Media firms: (i.e., newspapers, magazines, radio stations, t.v. stations, theaters.)
- Lending institutions (i.e., banks, etc.)
- Gambling.
- Recreation facilities not open to the public.
- Investment real estate.





## SBA 7a Regular Business Loan Prog.

### PURPOSE

- General working capital.
- Debt consolidation (if not a bail out of a lender).
- Acquisition of machinery and equipment.
- Acquisition of land and buildings.
- Renovation, remodeling, and/or construction of a building.
- Leasehold improvements.

### INELIGIBLE PURPOSES

- Paying creditors.
- Paying principals.
- Speculation.
- Relocation of a business.

### MAXIMUM AMOUNT

- On a guarantee basis, the SBA share of a small business loan can be up to \$500,000 exposure.
- On a direct basis, SBA may lend up to \$150,000.

### RATE OF INTEREST

- Bank rate on SBA guaranteed loans is presently the prime rate plus 3%.
- SBA rate of interest for a SBA direct loan is presently 6 5/8%.

### TERM

- Working capital loans are generally as short as possible and limited to 7 years maximum.



## SBA 7a Regular Business Loan Prog.

### TERM (cont.)

- Machinery and equipment loans are limited to 10 years maximum.
- Construction, acquisition, renovation and leasehold loans are limited to 20 years maximum.
- If applicable, loans cannot be made for a period longer than the lease arrangement.

### COLLATERAL

- Real estate or chattel mortgage.
- Assignment of warehouse receipts for marketable merchandise.
- Assignment of certain types of contracts.
- Guarantees or personal endorsements.
- Other such collateral as deemed necessary.

### REPAYMENT

- Loans are usually amortizing term loans providing for regular monthly payments of principal and interest.



## LOCAL DEVELOPMENT COMPANY (LDC)

The Small Business Administration (SBA) can lend funds to Local Development Companies (LDC) for use in financing specific small firms. These loans are made by SBA under Section 502 of the Small Business Investment Act of 1958, as amended.

The goal of a development company is to promote and assist the growth and development of business concerns and to act as the vehicle through which SBA 502 Loans may be distributed. The LDC allows SBA funds to flow into community businesses as follows:

1. A small business applies for a loan from the LDC which applies for the same loan from the bank and/or SBA.
2. The bank and/or SBA grants the loan to the LDC which grants the loan to the small business.
3. The small business repays the loan to the LDC which repays the loan to the bank and/or SBA.
4. The small business retains legal title to assets and keeps the depreciation allowances and tax credits.

To date, there are two Local Development Companies in El Centro. The El Centro Development Company (E.C.D.C.) concentrates on assisting businesses in the downtown area while the Commercial and Industrial Development Company (C.I.D.) works with businesses throughout the rest of the city.

The LDC must provide at least 10% of the project cost. Of this 10% up to 3/4 may come from the small business receiving the loan. The remaining 1/4 must be provided by the LDC, which it does by using funds from membership dues and donations. The development company must provide adequate periodic reporting of its financial condition to SBA. The El Centro Building and Housing Department serves as staff to the two LDC's and works with all businesses in evaluating, preparing and processing loan packages to be submitted to SBA.





## SBA Section 502 - Local Development Company Loan Program

The Small Business Administration lends funds to a Local Development Company (LDC) for financing small businesses under the Section 502 loan program. This program provides long-term financing (direct loans and guaranteed/insured loans) to small business concerns for the purchase of land; to purchase, expand, convert, construct or modernize buildings; to purchase fixed assets. Loans are not available to the local development company to provide small businesses with working capital, debt repayment, or refinancing. The use of the 502 program for fixed assets keeps the SBA 7a program available for working capital. The programs may be used jointly.

### WHAT SMALL BUSINESSES ARE ELIGIBLE?

A small business must meet the following guidelines:

- Must be a for-profit corporation, partnership, or proprietorship.
- Must generate "active income" as opposed to "passive" or investment income.
- Must occupy the premises wherein the renovation is performed.
- Total assets must be less than \$9 million.
- Net Worth must be less than \$4 million.
- Net Profit after tax must average less than \$400 thousand over the last two years.
- Must be unable to obtain private financing on reasonable terms.

### INELIGIBLE SBA APPLICANTS

- Not-for-Profit corporations.
- Media firms (i.e., newspapers, magazines, radio stations, t.v. stations, theaters).
- Lending institutions (i.e., banks, etc.).
- Gambling.



## SBA Section 502

### INELIGIBLE SBA APPLICANTS (cont.)

- \_ Recreation facilities not open to the public.
- Investment real estate.

### PURPOSE

#### A. FIXED ASSET ACQUISITION INCLUDING:

- Purchase of land and/or building.
- Construction costs.
- Expansion, modernization, or renovation and restoration (facade renovation).
- Leasehold improvements.
- Purchase of machinery and equipment.
- Reasonable contingencies.

#### B. PROFESSIONAL FEES APPLICABLE TO THE PROJECT

- Appraisals
- General surveying
- Accounting
- Engineering
- Legal
- Architectural

### INELIGIBLE PURPOSES

- Working capital.





## SBA Section 502

### INELIGIBLE PURPOSES

- Debt consolidation or repayment.
- Refinancing

### MAXIMUM AMOUNT

- The SBA share of a small business loan can be up to \$500,000 exposure.
- LDCs, by leveraging SBA dollars and guarantees, can do individual projects of several million dollars.

### RATE OF INTEREST

- Bank rate on SBA guaranteed loans is presently the prime rate plus 3%.
- SBA rate of interest for a SBA direct loan, where available, is presently 6 5/8%.
- Bank rate on first mortgage plan is market rate of interest.

### TERM

- Up to 25 years on land and building.
- On other assets, term depends on life of asset purchased.
- If applicable, loans cannot be made for a period longer than the lease arrangement.

### COLLATERAL

- Mortgage on land and building acquired.
- Liens on machinery, equipment and fixtures acquired.



## SBA Section 502

### COLLATERAL (cont.)

- Lease assignments where appropriate.
- Personal guarantees where appropriate.

### REPAYMENT

- Loans are usually amortizing term loans providing for regular monthly payments of principal and interest.

### SMALL BUSINESS INJECTION

- 20 to 25% minimum required.



## STATE OF CALIFORNIA

### SECTION 304 - Business Development Loan Program

The State of California, through the Department of Economic and Business Development, is participating in a cooperative funding assistance program with the U.S. Economic Development Administration (EDA), authorized under Title III, Section 304 of the Public Works and Economic Development Act of 1965, as amended. Through this program, funds are expended for low interest, long-term loans which will result in new permanent jobs in the private sector. Briefly stated, the State will be able to make direct loans, with EDA approval, to private or public agencies for expansion or other activities which will result in new permanent jobs in the private sector.

#### WHAT SMALL BUSINESSES ARE ELIGIBLE?

The following entities are eligible.

- A business enterprise, including sole proprietorship, partnership, or corporation.
- A non-profit organization or association.
- A local political subdivision including local development corporations.

#### PURPOSE

- Direct loans to finance the cost of fixed assets.
- Direct loans to finance the cost of equipment.
- Direct loans to provide working capital.
- Must create new, permanent and full-time jobs in the private sector. (Financial assistance is usually limited to not more than \$10,000 of State investment per job created while \$3,000 per job is the average.)

#### INELIGIBLE PURPOSES

- Speculation
- Gambling





## SECTION 304

### INELIGIBLE PURPOSES (cont.)

- Garment industry
- Public utility
- Relocation (unless expansion)
- Communications media
- Public park development
- Parking lots
- Alcoholic beverages
- Lending institutions
- Medical facilities
- Libraries
- Civic centers
- Roads and improvements

### MAXIMUM AMOUNT

- Projects which require less than \$50,000 or more than \$350,000 are not eligible for Section 304 funds.
- Normally, direct fixed asset loans may not exceed 65 percent of the total cost of the land, buildings, machinery and equipment. At the State's discretion, this amount may be increased to 85 percent, which is the legal maximum. A business must be unable to obtain private financing on reasonable terms.

### RATE OF INTEREST

- Interest rates on these loans are determined by the cost of the government borrowing and are reviewed and set quarterly. Interest rates on loans by private lending institutions involved in the project must be consistent with the market.

### TERM

- The State business development loan terms may extend up to 25 years. However, the duration of fixed assets loans is limited to the useful life of the fixed assets purchased with the loan funds. Working capital loans are generally limited to not more than 5 years.



## SECTION 304

### COLLATERAL

- State loans and guarantees are required to be supported by collateral such as liens on fixed assets, assignment of leases, assignment of life insurance on key personnel, assignment of inventories and receivables, corporate and personal guarantees, and by such other collateral as may be required.

### REPAYMENT

- Monthly installment payments are usually required.

### EQUITY

- On fixed asset loans, at least 15 percent of the total project cost must be in the form of equity or a subordinated loan.
- An applicant should have existing net working capital of 15 percent of their total working capital requirements.



## EL CENTRO - DOWNTOWN REVITALIZATION

During 1978, a partnership developed between city officials and property owners and business people in the downtown area. The primary goal of this partnership is to aid the downtown area in regaining and retaining its important role in the commercial life of the city and to provide exceptional service to the people of El Centro and their neighbors.

A downtown revitalization program was developed, in cooperation with the Urban Innovations Group, which is designed to stabilize and improve the downtown condition as well as to expand employment opportunities. The revitalization program has eight specific objectives as follows:

1. Establish downtown as the regional commercial center by providing special identity of commercial districts.
2. Intensify activities and prevent symbols of deterioration (nailed-up stores, vacant lots, etc.).
3. Create a leisurely, pedestrian oriented downtown.
4. Create more comfort for shoppers and sightseers.
5. Exploit the uniqueness of Main Street and Broadway as an architectural attraction.
6. Improve the visual qualities of the downtown area.
7. Attract business from outside the downtown area.
8. Support downtown business by increasing downtown residents.

To achieve these objectives, the business community has agreed as the initial step to improve their buildings and to create parking areas. The city has agreed to improve the streets, sidewalks, and other facilities in the public right of way. The city has also been able to make an arrangement with Crocker National Bank to provide 8% rehabilitation loans for downtown owners to renovate their store-fronts. Any owner located between Fourth and Eighth Streets, State to Broadway and the opposite corners is eligible. The improvement program is scheduled to begin in January 1979.





## ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)

The Economic Development Administration (EDA) was established in 1965 by the authority of the Public Works and Economic Development Act. The purpose of this agency is to strengthen the economic base of communities plagued by high unemployment, low family income, and other economic ills. EDA seeks to stimulate economic development and create jobs in areas of economic distress.

EDA stresses local initiative and planning under the theory that a community which develops its own plan of attack on economic problems is most likely to succeed in meeting the goals desired. Therefore, an Overall Economic Development Program is prepared by local representatives which becomes the blueprint for stimulating the local economy.

To assist in implementing this development program, a variety of tools is offered by EDA including technical assistance, public works funding, business development loans, planning grants and other grant assistance.



## EL CENTRO INDUSTRIAL PARK

The City of El Centro will soon begin to develop an industrial park which emphasizes the usage of geothermal and solar energy. This 54 acre park is located northwest of the intersection of Ross Avenue and Dogwood Road. The land will be available for industrial and commercial development and includes all off-site improvements.

The industrial park will be developed through the joint efforts of the city, the Department of Housing and Urban Development (land purchase), the Economic Development Administration (off-site improvements), the Small Business Administration (business loans) and the Department of Energy (geothermal development).

The major economic problem which the industrial park will address is that of unemployment. It allows businesses to expand or locate on property which already has all of the necessary off-site improvements and provide new and permanent employment. A potential exists for a minimum employment of 150 people on the 54 acre site. As the population growth of El Centro continues to increase, a demand for services will attract new business and give others the incentive to expand. The location of the industrial park is ideal in terms of access to the major arteries of Ross Avenue, Dogwood, and Interstate 8.

An incentive for locating in the industrial park is the probability of using solar and/or geothermal energy as a power source. These sources help to reduce the high costs of fuel needed throughout the summer in El Centro. Energy intensive industries may find this location ideal in terms of reducing operating costs.

The industrial park will help in reducing the monoculture character of the Imperial Valley. The local economy will be less susceptible to climatic factors and the agricultural business cycle. In addition, the tax base will be substantially increased which provides additional stability for the city revenue base.



## GEOHERMAL DEVELOPMENT

In October 1978, the City of El Centro, in cooperation with Westec Services, Inc. of San Diego, was approved by the Department of Energy to implement a geothermal energy utility core field experiment. Funding for the three year project was awarded for \$1,914,300.

The overall objective of this field experiment is to demonstrate the engineering and economic feasibility of the utilization of moderate temperature geothermal heat, on a pilot scale, in the City of El Centro for space cooling, space heating and domestic hot water.

The project involves the cooling and heating of the El Centro Community Center in order to:

- Provide a "core" for geothermal heat utility supply within our City to be utilized in space cooling and heating for commercial and government buildings, business complexes and residences and process heat for industry and agribusiness. Approximately 70 percent of the total energy consumed in the residential and commercial sectors of the City is potentially replaceable by geothermal energy.
- Provide the first demonstration in the United States of low grade hydrothermal resources being utilized to cool buildings as well as heat them.
- Provide a demonstration of the availability of low grade geothermal heat on the periphery of a well-defined geothermal resource presently scheduled to be utilized for electric power production.

One major benefit of the geothermal field experiment would be to explore the usage of a potential economically and environmentally acceptable energy resource to substitute for and supplement present energy sources. If successful, this project would substitute low and moderate temperature geothermal energy for other fossil fuels and electricity in an energy intensive space heating, cooling, and hot water application. As fuel costs continue to rise, a cost savings could be realized by this energy substitution. The volume of the potential demand and the variety of existing and potential applications indicates a high probability that geothermal energy usage will be economically feasible.



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